



**WESTERN
GOVERNORS'
ASSOCIATION**

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Governor of New Mexico
Chairman

Bill Owens
Governor of Colorado
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October 20, 2003

Jack King, Chairman
Western Electricity Coordinating Council
615 Arapeen Drive, Suite 210
Salt Lake City, UT 84108

Dear Mr. King:

Thank you for sending Mr. Dennis Eyre to join us at our annual meeting. His report was timely and informative. Following Mr. Eyre's presentation, Western governors adopted the attached resolution requesting that the Western Electricity Coordinating Council deliver a report on how to implement the electric reliability provisions pending in a Congressional conference committee prior to the governors' next meeting. The report should:

1. include proposals requiring all control areas to comply with reliability standards;
2. include a plan to implement the provisions contained in federal legislation to provide deference to proposals from the Western Interconnection;
3. identify steps to streamline the setting and enforcement of Western regional reliability standards;
4. review the reliability impacts of the growing number of control areas in the Western Interconnection; and
5. include a process for the explicit assessment of the costs, benefits and system risks of reliability standards.

As you know, Western governors, regulators and the power industry have worked for six years for enactment of federal reliability legislation that meets the needs of the Western Interconnection. We are now at the point where we need to have a plan to implement such legislation. We ask WECC to develop such a plan that the governors will review at their next meeting, which is tentatively set for February 2004.

I believe that WECC and Western Governors need to present to FERC and NERC a plan to implement the legislation as soon as possible. In the existing WECC Reliability Management System we have the initial elements of a system of enforceable standards. FERC has already reviewed and approved these standards. As provided in the pending legislation, we need to seek FERC adoption of the standards to provide the backing of federal law to those standards. The West should not and cannot wait the months or years needed for FERC to finalize regulations and for NERC to complete their ongoing review of reliability standards.

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We offer our assistance in helping WECC develop the implementation plan and securing FERC action.

As WECC develops its implementation plan for our review, Western governors intend to take steps to implement the Regional Advisory Body provisions on the pending legislation. We will be seeking WECC's assistance in funding the operation of such an interconnection-wide body.

Time is of the essence and I trust that the strong working relationship that has developed between the WECC, Western state regulators, and Western governors will enable us to move rapidly.

Sincerely,

A handwritten signature in black ink that reads "Bill Richardson". The signature is fluid and cursive, with a long horizontal flourish extending to the right.

Bill Richardson
Governor of New Mexico

Chairman, Western Governors' Association

cc: Western governors
WECC Board of Directors
Dennis Eyre, WECC CEO
Marsha Smith, Chair, Committee on Regional Electric Power Cooperation

Attachment

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